CHAPTER - II

REVIEW OF RELATED LITERATURE
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The previous chapter gave a precious description about shopping pattern and preferences of durable consumer in a particular geographical base. It was argued consumer preference, purchase decision, loyalty, brand consciousness, careful purchase and fashion orientation. This chapter aims at developing the research proposition and research aims by analyzing the gap in the literature introductory. In this way national and international reviews are identified this methodology and findings were explored. This leads to Microscopic as well as anatomical views over international literature and this synthesis are useful in identify flaws in literature.

2.1 Consumer purchase preference and decision.

2.2 Consumer satisfaction and

2.3 Consumer complaining behaviour.

2.1. CONSUMER PURCHASE PREFERENCE AND DECISION

The consumer is confronted with a complex set of alternatives in many purchase situations. He/she has to choose the products and product classes from many varieties worth his money and efforts. Again, from each product category he/she has to make selections from different sizes, colours, models and brands. The consumer has also to take decisions about when and where to buy the products that they needs or wants, how much they wants to spend on it, or how much they can afford to and how he will pay for it. Some purchase decisions are routine and may not require these
considerations any more than the blink of an eye. Other purchase situation may be more complex. Some products may require cash outlays only. In some others, considerations like safety and health must also be examined. In a few others, consideration regarding status and prestige are also important. Many product purchases may require the evaluation of a variety of economic, social and psychological factors. A thorough understanding of these consumer preferences help us to identify different market segment and evolves suitable strategies for effective penetration into these segments. This will also help the organization to strengthen their action in anticipating consumer needs and wants and in shaping the desires and aspirations of consumers thereby solving many of the consumer’s day to day problems in purchase situations. Towards this and several authors have contributed to the study of consumer preferences and these findings are reviewed in the following pages.

Thorelli¹, in his study on 93 Norway sample districts, found that those with more education might be more information – minded than those with less education. Actual or potential buyers or owners of a product were more likely to be better informed than others and one might expect that higher income or wealth was accompanied by greater product informedness. There might be product – informed

elite and hence a concentration of information power among consumers. After all, knowledge is power.

In their revealing attempts, Roering and Block\textsuperscript{2}, surveyed certain predictions as the focus of their investigation. The consumes living in high and low density areas will differ with respect to their pattern of pre-purchase information search associated with the decision to buy various types of products. The data used for the above study were collected via structured personal interviews with 102 household representatives in the central Missouri area in and around the city of Columbia.

The main result of the study was that the two consumer groups studied did differ with respect to the pattern of information search. The pronounced variations in information search patterns observed in these two consumer groups, suggested that other consumer groups might also show substantially different information search. Thus, this research effort had attempted to enhance understanding of pre-purchase information, search by comparing the reported information search pattern of two market segment.

**Need – The Primary Criteria for Purchase Intentions**

Need is identified as an important influence in the perception of consumers on their purchase intentions. The influence of physiological needs as a factor in consumer perception has been clearly demonstrated from various studies. For

example pictures of food flashed on a screen for very short periods of time were more readily recognized when subjects were hungry than they were not hungry\(^3\). Secondly, psychological needs also influence perception in a similar manner. For instance, the consumer's mental state of affairs may play a role in purchase decisions. Thirdly, the sociological needs such as status, dominance and love affiliation also contribute to purchase choices. This concept has been widely accepted by behavioural scientists.

**Pre-purchase Information**

When need drives a consumer to purchase a product, the follow up is naturally to go in for collecting information on the product prior to the state of actual purchase. Thorelli (1953)\(^4\) in his study on 93 Norway sample districts, found that those with more education might be more information-minded than those with less education. Actual or potential buyers or owners of a product were more likely to be better informed than others and one might expect that higher income or wealth was accompanied by greater product informedness. There might be product-informed elite and hence a concentration of information power among consumers. After all, knowledge is power.


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**Sources of information in Purchase decision**

Ravichandran\(^6\) in his research with examined the information sources used in choice-making by the urban and semi-urban population with reference to purchase of durable goods. The study was conducted with 550 sample consumers from Chennai.

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city and 4 other towns. The products chosen were Refrigerators, Televisions, Ceiling fans and domestic mixers. The findings revealed that urban consumers made use of commercial sources and semi-urban personal sources.

**Brand Preference of the Consumer**

When one considers the subject of consumer preferences, one is struck with the many alternatives relating to the purchase of goods and post-purchase services. Apart from this, preferences are manifested in the form of generic product, the brand, the size, the store, as well as the price. The consumer’s product preference is influenced by the brand and services that go with it.

A remarkable study was made by Parker and Copley (1974)⁷ to examine the relationship which existed between consumer brand preferences, and perception. The data were collected from the twin cities of Leviston, Idali and Clarkston, Washington. Information on preferences towards seven car brands, perceptions of the attributes of these cars and attribute satisfaction scores were obtained from 105 consumers randomly selected from the sample consumers. Eleven car attributes such as economy of operation, power, warranty, style, size and dependability were included in the analysis.

The above research work revealed that brand evaluation was a comparative process in which the preference of one brand was highly dependent upon the consumer attribute perceptions and attitudes towards other brands.

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Hundal and Sandhu (1987)\(^8\) with the main purpose of determining the pre and post-purchase behaviour and brand preference conducted study with 250 T.V consumers. The findings revealed that the main factors considered by the sample consumers were the price of various brands and the availability of various product attributes in their including after sales service.

**Product display and Brand Preference**

Padberg, Walker and Kepner (1967)\(^9\) presented a model which qualifies the attractive display of the product, motivates the consumer brand preferences. In their study in a laboratory controlled experiment in the Ohio metropolitan area, they arrived at the following conclusion: brand, price, the proportion of display space allocated to each brand, the quality of display, sales promotion advertising and consumers brand preference influenced consumers purchase decision.

**Influence of Store Image**

Store's loyalty refers to a repetitive shopping attraction and is influenced by how consumers perceive outlets. Marketing efforts can be initiated to change these consumer perceptions of store attributes without damaging the perception of other equally important aspects of product image. Potential customers are attracted to one store or another form of retail outlet for several reasons. The most important reason in

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this regard is the image of the store related to the image preferences of consumers. This has been emphasized by Kunkel and Berry (1968)\textsuperscript{10}, who reduce the number of attributes in this regard into twelve categories comprising of almost fifty dimensions of department store image. These include price of merchandise, quality of merchandise, assortment of merchandise, fashion of merchandise, sales personnel, location convenience, other convenience factors, services, sales promotions, advertising, stores atmosphere and reputation on adjustments.

**Product features and Purchase Preferences**

After a rigorous assessment of the literature on product feature as a source of preference, Robertson and Myers (1969), has concluded that “the consistency of innovativeness cannot be expected across product categories, but can be expected within the product categories, and sometimes, between related product categories”. The purchase of a product by a consumer is determined to a large degree by the characteristics of the product itself or what consumers perceive the products to be. Relative advantage of the products is an important determinant of the product success. The compatibility of a product, which is the degree to which the product is consistent with the existing values and past experiences, is another determinant of the product acceptance products that are visible in social situations or that have significant impact upon the social system influence the rate of product acceptance to a considerable extent.

Product Performance Norms as a Source of Preference

As regards the product performance norms Cadott and Jenkins (1969)\textsuperscript{11}, have viewed confirmation / disconfirmation as a paradigm of consumer satisfaction / dissatisfaction resulting from a type of comparison process.

According to Cadott and Jenkins (1983)\textsuperscript{12}, prior of purchase and the use of a brand, the consumer forms certain expectation of its performance in a particular situation. These expectations or predications of the nature and level of performance will form a norm pertaining of the various spheres of the product evaluations. The required standard in the form of norms also have a role. Thus, the nature and amount of a consumer's experience with an evoked set of brands are the important determinants of the satisfaction process.

Consumer beliefs about some brands are derived from personal use experience, word of mouth endorsements, criticisms and / or the marketing efforts of companies. Such experiences will yield three kinds of output:

1. Expectations about a focal brand
2. Experience based performance norms and


After using the brand, the consumer compares the actual performance with the expected performance. This confirmation results when the two performances match. A mismatch in this sphere will cause a positive or a negative disconfirmation. Further, the authors have also commented that the satisfaction may not be totally dependent on whether the brands performance meets or exceeds the predicted performance.

**Price as an Evaluative Criterion of Purchase**

There has been a considerable interest over the years in both the role and importance of price as an evaluative criterion. It is due to the relation of marketing to its parent field of economics. There are indications that a positive relationship exists, at least over some price range and in some product categories.

Fraceastoro, Burton and Biswas (1993)\(^\text{13}\), investigated the effects on consumer price perceptions of three types of advertised reference prices:

- a. Plausible low prices are well within the range of acceptable market prices;
- b. Plausible high are near the outer limits of the range but not beyond the realms of believability and
- c. Implausible high are well above the consumer’s perceived range of acceptable market price.

As long as an advertised reference price is within a given consumers acceptable price range, the external reference price is considered plausible.

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and is assimilated. If the advertised reference point is outside the range of acceptable prices it will be contrasted and thus will not be perceived as a valid reference.

Their findings show that an implausible high reference price can effect consumer evaluation on the advertiser's image of credibility - By setting the reference price at the highest as recently offered for identical or comparable merchandise the advertiser could enhance consumer perception of value while minimizing negative effects. In this direction further research was conducted by Akshay and Monroe (1993)\textsuperscript{14}. According to them, both price and brand name have significant but moderate effect on buyer perceptions of quality, whereas store name has only a small and insignificant effect.

The primary effect of the additional cues of brand and store name is seemingly to enhance the effect of price on buyer quality perceptions. The Meta-analysis by Monroe and Krishnan \textsuperscript{15} provides a more positive effect for price. The implication of their finding is that it is not the brand name that dominates the influence of price; but rather the brand name enhances the influence of price on quality perception.


Three more studies have specifically examined the same issue of individual and combined effects of price, brand name and store name on quality perceptions\textsuperscript{16}.

Two of these studies suggest that price produced a stronger effect than either brand or store information. However, the third study by Gardener showed relatively moderate effect for both price and brand name. Given the diversity of products and the price the importance of price in relation of other extrinsic cues such as brand and store name, may depend on the nature of products and their price ranges.

Cohen (1997)\textsuperscript{17} differs from the above views and asserts that the effects are larger for price, moderate for brand name and small for store name.

The above research findings rule out definitive conclusions with regard to the degree to which brand name and store name combine with price. This combination of price, brand and store name influence, buyer perception of quality and value, willingness to buy are serving as a means for buyer product evaluations.

**The Role of the Family in Purchase decision**

The ‘family’ forms an important unit in the decision making process. For the purpose of consumer studies, the family is identified as an informal small group. It is sometimes treated in a more fundamental way as an institution.


Hempel (1975)\textsuperscript{18} studied the determinants and effects of family role structures in house purchase decision. A sample of 206 households was selected and both husbands and wives were interviewed. The findings of the study revealed that the role structure in house buying decision in a family was affected by household characteristics. There was variation in the relative importance of determinants across sex, culture and the role structure measure.

A remarkable study on family decision marking was undertaken by Qualls (1981)\textsuperscript{19} the main purpose of the research was to discover the effects family members sex role orientation on influence patterns for several household decisions. The comparison of sex role – modern and sex role – traditional revealed that the family members' sex role – orientation affects the degree to which families interact and the perceived pattern of influence for various family decisions.

**Opinion Leadership and Purchase Decision**

Opinion leadership refers to the degree to which a person is able to influence informally other people's behaviour in a desired way. Opinion leaders are those persons who seem to possess an unusual degree of this ability. They can affect the behaviour of other towards a product purchase favorably or unfavorably.


The part played by people in the flow of mass communications, by Katz, Elihu and Lazarsfeld (1955)\textsuperscript{20}, is one of the most important published studies in consumer behavior in this area. This study shows that inter-personal communication among friends plays a major role in many consumer decisions. In many situations the opinion leaders have central role in this process more than others. The opinion leadership is important because the marketers might concentrate their efforts on such opinion leaders, a small number of key individuals of persuade the rest of the population.

**Status and Purchase Decision**

Chadha (1996)\textsuperscript{21} study, "The Emerging consumer" suggests that in the Indian context there would be willingness to buy the products and services which improve the consumer's standard of living. This could even lead to inspirational over buying by the middle income group who are currently feeling left behind. In the Indian situation, the optimistic and pessimistic consumer would however patronize different kinds of products and brands respectively. While the optimistic consumer would look for technologically superior quality products, the pessimistic group who comprise over a growth of the target group would settle for the value money. These two groups would segregate the market. The consumers would like to demonstrate their improved financial position through conspicuous consumption and would therefore be of interest to the marketing mangers and producers.


Socio-demographic Variables and Purchase Decision

Economic and demographic factors have a significant influence in determining the types of products that people need. They also have an important bearing on the brand choice and supplier patronage. In the following pages, some of the important demographic and economic trends are described. Fraank, Massy and Lodahl (1969)\textsuperscript{22}, have analyzed the correlation of household purchasing behavior with socio economic and demographic characteristics by using the data from Walters Thompson Consumer Panel for grocery products that are frequently purchased. There seems to be a high degree of association between socio-economic, demographic and personality variables with households purchasing behaviour.

In their psychological approach Bennet and Kassarjian (1986)\textsuperscript{23}, emphasize the importance of the place of residence in purchasing perceptions. They conclude that the perception of the individual is selectively organized. According to them, only certain objects in the geography world enter into the customer’s cognition. Others are no perceived or molded or altered to fit the requirements of the individual.


Consumer decision making – whether rational?

Whether customers behave rationally or irrationally while taking buying decision was a unique study made by Markin (1979)\textsuperscript{24}, the study examined several aspects including the typical models and assumptions inherent in consumer decision process models and to develop the psychological concept of rationalization and examine the existential support for the concept. The findings revealed that the consumers were sometimes rational and not always. Consumers did rationalize their decisions and the rational consumer obsessed with seeking, searching and information processing activity, was largely a normative rather than a positive model.

2.2. CONSUMER SATISFACTION

In the present day Indian Context, customer satisfaction is still a matter of strategy. But it is a matter of survival for many organizations in the western countries. As the behaviour of customers keeps changing with the changing environment, customer satisfaction becomes a dynamic issue. Many determined efforts have to be made on a continuous basis to trace consumer satisfaction. According to the present day concept, the customer satisfaction is by design and not by default.

No one knows the individual customer satisfaction better than the customer himself. The companies are getting attuned to this and are trying to find credible ways to ascertain this complex and highly subjective management issue. The

companies are changing their methods of handling the customers with a view to
capture the future market than the present. In this way, customer satisfaction would
determine product and technology expectations. It would also give direction to the
element of human interaction essential for any business.

The product is purchased by the consumers not only for their own sake but also
to satisfy a long felt need of others. Hence, the interest of the marketers in their
selling process should not and with the sale of the product alone. Much can be learnt
about post-purchase behaviour by studying how buyers use the product, which uses
the product, where it is used, when it is used and with what other things it is used.

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Boyd and Levy\(^25\), has suggested that there is also a value in thinking about the
consumption system in which a product is embedded. An awareness of consumption
pattern helps the manufacturer to find out the latent use of the product. It also enables
his merchandising methods to become more effective.

Business Review, Nov-Dec (1963), PP.129-140.
Handy\textsuperscript{26}, has observed that consumer satisfaction information could be of additional use to the private sector by the encouragement of voluntary action and self regulation of business practices. Legislations and regulations, once enacted, tend to impose universal behaviour and values on all. Voluntary action enables business forms to retain greater flexibility in responding to the many minority interests and market segments they seek to serve.

The findings of Mereill, Smith and Aroson\textsuperscript{27}, suggest opposing theories. When the sweet solution was expected and the bitter solution was tasted, a disconfirmed expectancy resulted in a rating of more bitter which would support contrast theory. On the other hand when the bitter solution was expected but the sweet solution came up, a disconfirmed expectancy resulted in support of assimilation theory. If a customer expects a particular performance from a product but a different performance is offered, he will judge the product to be less pleasant than if he had no previous expectancy.

The market needs to know the consumers post-purchase behaviour and their consumption pattern. It is useful to the producers not only to make improvements in its quality and its function, but also to suggest new uses for it. As regards the

\textsuperscript{26}C.R.Handy, “Consumer Satisfaction/Dissatisfaction Perspectives and overview in proceeding of Conference on Conceptualization and Measurement of Consumer Satisfaction /Dissatisfaction”, H. Keith Hunt eds., Marketing service Institute, Cambridge, Mass 1977, P-6

\textsuperscript{27}Mereill Carl Smith and Elliot Aronson, “Some Hedonic Consequences of The Confirmation and disconfirmation of expectancies”, Journal of abnormal and social psychology, Vol.66 (1963), P-151.

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consumption pattern Boyd and Levy (1963)\textsuperscript{28}, have suggested that there is also a value in thinking about the consumption system in which a product is embedded. An awareness of consumption pattern helps the manufacturer to find out the latent use of the product. It also enables his merchandising methods to become more effective.

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**Consumer Satisfaction Research**

Consumer researchers are interested in identifying the effects of various variables affecting the purchase pattern. They are taking every effort to understand the homogenous nature of consumer's needs, desires and expectations. Various studies have been carried out and they have explored the dominant facets in the field of consumer satisfaction. This section gives an outline about the review of literature on the consumer satisfaction studies. The literature on the study of consumer satisfaction can be grouped into two categories:


1) Developing the theory on consumer satisfaction as a model in order to determine
the various variables.

2) Measurement methodology applicable for the consumer satisfaction. Since the
early 1970's the volume of consumer satisfaction research has been impressive.
There are varied definitions and conceptualizations of consumer satisfaction. The
following comments seem worth noting in the present context:

**Consumer Satisfaction – Meaning and Definition**

Howard and Sheth (1969)^30^, have defined consumer satisfaction as a result of the
interaction of levels of:

a) expectation about anticipated performance and

b) Evaluations of perceived performance.

Andrson (1973)^31^, cites Random House dictionary and defies dissatisfaction as
"what falls short of one’s wishes or expectations". Thus consumer dissatisfaction
might be measured by the degree of disparity between expectation and the perceived
product performance, whereby consumer satisfaction is viewed as a type of
comparison process.

Yet another dimension has been added by Handy who defines consumer
dissatisfaction as the gap or distance between the consumers ideal attribute

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^30^ John A. Howard and Jagdish N. Sheth "The Theory of Buyer Behaviour", Wiley and Sons

^31^ Rolphe E. Andrson,"Consumer dissatisfaction: The Effect of Disconfirmed Expectancy on
38-44.
combination of the product and service offered in the market place which comes closest to this ideal. It focuses on Czepiel and Rosenberg also analyse the 'consumer satisfaction' to have semantic and observational validity. According to them, it shares a common meaning which is used to describe certain behaviors and inferred state of being. Consumer satisfaction is an attitude in the sense that it is an evaluative orientation which can be measure. It is a special kind of attitude because by definition it can not exist prior to the purchase or consumption of the attitude object.

Hempel characterizes the underdeveloped status of conceptualization and measurement of consumer satisfaction. The consumer satisfaction means the focus on the consumers' subjective evaluation of benefits obtained from the consumption of a specific product or service. There have been only a few efforts to examine the relationships among various aspects of the product/service and the associated buying process, and to synthesis this analysis with a system perspective of consumer satisfaction.

**Theoretical approach on Consumer Satisfaction**

Numerous theoretical structures have been proposed to examine the antecedents of satisfaction and develop meaningful measures of the construct. Four psychological theories Anderson (1975)\(^{32}\), may be considered as the most important

while predicting the effects of product evaluation and consumer satisfaction. They are:

a) Cognitive dissonance (Assimilation) Theory  
b) Contrast Theory  
c) Generalized Negativity Theory and  
d) Assimilation-Contrast Theory.

a) Dissonance or Assimilation Theory

Dissonance or Assimilation Theory signifies that and discrepancy between expectations and product performance will be minimized or assimilated by the consumer adjusting his perception of the product to be more consistent with his expectations. The original hypothesis proposed by Festinger (1957)33, suggests that an individual has cognitive elements (or knowledge) about past behaviour his beliefs and attitudes and his environments. He argues that the consumers continually receive various kinds of product information from their own experience, associates, advertisements, and salesmen. These pieces of information are cognition which consumers like to have consistent with one another.

Contrast Theory

Contrast Theory assumes that the customer will magnify the difference between the product received and the product expected. If the objective performance of the product fails to meet his expectations, the customer will evaluate the product

less favorably than if he had no prior expectations for it. Contrast is thus the converse of assimilation. Freedman (1964)\textsuperscript{34}, suggests that a slight understatement of the product qualities in advertising might lead to higher customer satisfaction with the company’s product.

Of course, the advertisement could not so understate the products qualities that the customers by pass it for another brand. Several studies lend support to the possible success of this promotional strategy.

The Generalized Negativity Theory

The Generalized Negativity Theory is that any discrepancy between expectations and reality results in a generalized negative hedonic state, causing the product to receive a more unfavorable rating than if it had coincided with the expectations. Even if the product performance exceeds the customer’s expectations in many other respects, it will be perceived as less satisfying than its objective performance would justify.

The findings of Mereill Smith and Aronson (1963)\textsuperscript{35}, suggest opposing theories. When the sweet solution was expected and the bitter solution was tasted, a disconfirmed expectancy resulted in a rating of more bitter which would support contrast theory. On the other hand when the bitter solution was expected but the


sweet solution came up a disconfirmed expectancy resulted in support of assimilation theory. If a customer expects a particular performance from a product but a different performance is offered, he will judge the product to be less pleasant than if he had no previous expectancy.

The Assimilation-Contrast Approach

The Assimilation-Contrast Approach maintains that there are zones or latitudes of acceptance and rejection in consumer perceptions. If the disparity between expectations and product performance is sufficiently small to fall into the consumer’s latitude of acceptance, he will tend to assimilate the difference by rating the product more in line with expectations that its objective performance. However, if the discrepancy between expectations and actual product performance is so large that it falls into the zone of rejection, then a contrast effect comes into play and the consumer magnifies the perceived disparity between the product and his expectations for it.

Hoveland, Lumsdaine and Sheffield (1948)\textsuperscript{36}, suggest that promotional message should create expectations for the product as high as possible without creating a level of disparity between expectation and objective performance which falls outside the consumers range of acceptance. This theory assumes that individuals have ranges or latitudes of acceptance, rejection and neutrality.

Conceptually, the satisfaction is an outcome of purchase and use resulting from the buyer’s comparison of the rewards and costs of the purchase in relation to anticipated consequences; operationally satisfaction is a similar attitude in that it can be assessed as the sum of the satisfaction with the various attributes of the product or service. Pfaff suggests that both cognitive and effective models may be alternatives for describing satisfaction, whereas the Latour and Peat (1979)\textsuperscript{37}, assert that the primary distinction between satisfaction and attitude derives from temporal positioning. Attitude is positioned as a pre-decision construct.

**Importance of Quality factor**

Consumers generally wish to be assured that they are not getting inferior materials or shoddy workmanship. They are not as gullible and manipulatable as they apparently believed to be by some critics of advertising.

In developing product quality programme companies often fail to take into account two basic sets of questions. First how do customers define quality and why are they suddenly demanding higher quality than in the past? Second, how important is high quality in customer service, and how can it be ensured after the sale? The following studies highlight the importance of quality.

Garvin (1984) defines what product quality is and explain how it can be used in positioning and selling the products. He has identified eight dimensions of product quality they are:

1) Performance
2) Features
3) Reliability
4) Conformance
5) Durability
6) Service ability
7) Aesthetics and
8) Perceived Quality.

It is not possible and necessary to be five on all eight dimensions of quality. Firm should carefully define the dimensions of quality on which they hope to compete and should then focus their energies in that area. If a company hopes to compete effectively on the quality of its products, a deeper understanding necessary first step.

Aderson, Fornell and Lehmann (1994), discuss how expectations, quality and price should affect customer satisfaction and how customer satisfaction should affect profitability. Hypotheses were tested using a national consumer satisfaction

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index and traditional accounting measure of economic returns such as return on investment (ROI)

The findings shared that economic returns from improving customer satisfaction are immediately realized. It also provides a preliminary indication of trade-offs between customer satisfaction and market share goals. Customer satisfaction actually may fall as market share increases. With quality and expectations increasing there is a positive effect on customer satisfaction in the long run. But increasing expectation may have a negative impact in the short run.

The findings also indicate that in the aggregate customers have adaptive but largely rational expectations. Charge in the level of quality perceived by firms enhances or erodes a firm’s reputation of quality overtime. The implication for a firm trying to make a quality ‘turn around’ or ‘comeback’ is not to expect immediate returns but coordinate product or service improvements with effects to accelerate the diffusion of information regularly such improvement through the marketing places.

Shetty (1987)\textsuperscript{40}, has impressed the importance of quality through various experiments. It was found that quality improvement as a strategic tool to improve productivity and profit ranked sixth among programmes. On further analysis it was found that quality was ranked sixth because management and employees did not adequately understand the concept of quality. Profit Impact of Marketing Strategies (PIMS) study involved 1200 business.

Their study showed that both return on investment and net profit as a percentage of sales rose as quality increased. It also showed that high quality product and services increase sales and market share. Evidence from the PIMS study and the experience of numerous companies clearly indicates that a strategic focus on quality is one of the best ways to reduce costs, improve productivity and remain competitive.

The conditions to be followed by a company that uses product quality as a competitive strategy are:

1. Provide top market commitment
2. Recognize quality as a strategic issue
3. Know that employees are the key
4. Establish quality standards and measure performance
5. Use customer-driven quality standards and
6. Use total market to achieve results.

An organisation with the aim of providing quality product and service must look into the expectation of customers. In the final analysis of the market place, the "Quality" of a product depends on how well it fits patterns of consumer preference.

Elements of Service

Customer service till recently was seen as a mere activity and encompassed as such as a customer understood "After sales service". Of late, customer service has been gaining tremendous importance. It has grown in dimensions and today the customer service department has become a marketing function plus it is independent of operations and sales. It is no longer an extension of a department.
Service has been defined as an activity which has some elements of intangibility associated with it. This involves some interactions with customers or with property in their possession, and does not result in a transfer of ownership. A change in condition may occur and production of the service may or may not be closely associated with a physical product\(^41\).

Services vary considerably over a range of factors, including whether they require a customer's physical presence and whether they are equipment intensive or people intensive. Whatever be the type of service, customers want "Good Service".

Good service can be defined as giving customers a little more than they expect. When that happens, the outcome is that the customer leaves with positive feelings. That is of huge significance to any business because feeling good will bring a customer back and business success largely depends upon repeat business and references from existing customer to potential new customers\(^42\).

To identify the various aspects of customer service, a study was undertaken by Gilmour (1977)\(^43\), Respondents were asked to rank most important elements out of 16 customer service elements. A lot of difference was reflected in the importance ranking given by the various respondents. But all respondents ranked "availability of item" first.

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\(^42\) Dr. Barrie Hopson & Mike Scally, Op. Cit., P.57

The similarity grouping showed that all groups considered the same sets of service elements to be similar, three groups of similar items emerged: availability, delivery time and delivery reliability in the first group; after sales service, technical representatives and equipment demonstration in the second, and ordering convenience, published material and telephone handling in the third.

In order to determine whether managers really know about the requirements of customer, a study was made by Marr (1980)\textsuperscript{44}. The survey consisted of two stages; the first stage took the form of an elicitation survey and the second, the form of an attitude survey.

The elicitation stage was to elicit from both management and customers what elements or factors, in their opinion, made a contribution to customer service. As a result, 31 individual elements were identified. At the second stage of the survey out of the 31 individual elements the first 7 elements were selected. The first five beliefs (speedy, delivery, complete delivery at one time, low damage, practical packaging and details on packing) show that a greater percentage of the customer sub-sample rank the beliefs at 3 or higher than do the management sub-sample. An over all view seems to confirm the idea that differences in perceptions of importance do exist between the different sub-samples i.e., between the management and customer sub-samples.

The study looked into different roles of management (Marketing, sales and distribution) and the rankings given to each belief. Different ranking was given to the salient beliefs by different roles of management. It is acknowledged that different types of outlet place different emphasis on importance on aspects of customer service. Once again it was found that differences in emphasis of importance existed between the two sub-samples. An attitude survey was carried out to understand how decisions were made about the importance of various aspects of customer service. Respondents saw each belief as a consequence of the provision of a good level of customer service. It was concluded that although both sub-samples recognized the importance of providing a good level of customer service, they differed on the importance of the influence of each aspect such level.

Coppet (1998)⁴⁵, reveals that offers a taxonomy which can aid managers in their efforts to review and improve their organisations customer service activities. The eight elements of this taxonomy are:

1. Communication
2. Uniformity
3. Simplicity
4. Truthfulness/accuracy
5. Objectives
6. Monitoring

7. Economics and
8. Reports or information provided to internal users.

The taxonomy of customer service offered in this article provides a starting point for manager who wants to analyze their company's performance and take actions to improve their service activities.

Identifying the various elements of service should be used for improving them. Good service is giving people more than they expect. Excellent service is enjoying giving people a little more than they expect\(^\text{46}\). It is towards this direction that service should improve.

**Improving Service**

Today, with competition becoming what it has product superiority is no longe the decisive factor but it is the quality of service that has become Mohanty (1994)\(^\text{47}\) the decision factor in corporate survival. Although price remains an important factor in the customers purchasing decision, it is seldom the only consideration which will affect the choice of supplier Wellmen (1990)\(^\text{48}\), Quality of service has become the decisive factor in corporate survival. Hence, the manufacturing firms have now realized that it is the service added to the physical good that constitutes the basis of competitive differentiation.

\(^{46}\) Dr. Barrie Hopson & Mike Scally Op. Cit., P.12


Good service tailored to customer requirements is particularly important for specialized and high technology products. It has been clearly understood that it is the responsibility market to ensure that the product or service is consumed. In order to exist successfully, the organization should aim at improving their service.

Different facets of Consumer Satisfaction

Recent reviews of satisfaction literature document the dramatic increase in consumer satisfaction/dissatisfaction. Latour, and Wellmen Peat have played a leading role in trying consumer satisfaction / dissatisfaction theory to social science research. Several models have been proposed; out of which the body of theoretical and empirical research has become the widely accepted confirmation/disconfirmation paradigm where consumer satisfaction / dissatisfaction is viewed as resulting from a type of comparison process.

Prior to purchase and use of a brand, the consumer forms certain expectations of its performance in a particular use situation. These expectations are predictions of the nature and level of performance the user will receive. After using the brand, the consumer compares the perceived actual performance with the expected performance. Confirmation results when the two performances match. A mismatch will cause a positive or a negative disconfirmation. In turn confirmation / disconfirmation leads to an emotional reaction called satisfaction / dissatisfaction.

In a somewhat different direction, social equity theory Swan and Mercer (1981)\textsuperscript{50}, has been used to explain the antecedent of consumer satisfaction / dissatisfaction. A consumer evaluates the benefits received from a brand in relation to its cost (price and effect) and then compares this ratio with the corresponding cost / benefit ratio realized by some other relevant person (e.g. The seller, a friend etc). The basis comparison becomes the degree of equity which consumers perceive between what they achieved and what the other person achieved.

There are a few comments on the relationship between consumer satisfaction/dissatisfaction and outcomes. An important implication for producers of frequently purchased goods is that they must continually be provided with more benefits to keep their brands in the forefront of consumer’s minds. If companies do not improve constantly for exceptional performance, positive satisfaction with the brand will slowly decay through the brand’s repeated use or through the introduction of similar brands. In short, the brand or product type norm can become so similar to focal brand that the zone of indifference shifts to include it within its range. Consequently, the consumer eventually will have either a neutral or no emotional response to the evaluation of focal brand performance\textsuperscript{51} by Oliver. In this regard


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Churchill, Surprenant (1982)\textsuperscript{52}, have concluded that a high correlation exists between performance and satisfaction constructs in the determinants of consumer satisfaction model. Further the satisfaction with the durable goods would be more dependent on actual product performance than with the non-durable goods.

Woodruff, Cadotte and Jenkins (1983)\textsuperscript{53}, made a study a consumer satisfaction process. The actual performance and the expected performance of the consumers were analysed in their study. The researchers proposed to modify the basis confirmation / disconfirmation paradigm in two ways. Firstly expectations were replaced with experience based norms as the standard for comparison of a brands performance. Secondly, a zone of indifference was postulated as a mediator between confirmation / disconfirmation and satisfaction.

2.3. CONSUMER COMPLAINING BEHAVIOUR (C.C.B.)

When consumer is dissatisfied about the performance of a product purchased, he naturally resorts to remedial measures. Such redressal need is a post purchase complaint situation requiring some form of compensation or satisfaction. Such needs can be caused when the product and services:

\begin{itemize}
  \item \text{a). Fail to line up to the consumer expectations}
  \item \text{b). Perform poorly or break}
\end{itemize}


c). Result in personal injury or property damage and  
d). Are not adequately covered by service or warranties.

Such redressal cans be made available from the manufacturers or retail stores or can also be stimulated by peer groups. According to Laurd, Landon (1980)\textsuperscript{54}, observation about the antecedents / consequences of CCB would be more useful if issues relating to CCB definition and dimension could be thoroughly assessed and attended to.

Dissatisfaction is recognized as a primary determinant of legitimate consumer complaints. Basically the complaint actions can be grouped into two categories viz., taking some actions and no actions against the seller / manufacturer. The various actions that a consumer takes may be subdivided into private and public actions. Private actions include decisions to stop buying the products and warning their friends. Public actions include redress seeking efforts directed towards the seller and complaints to third party, consumers associations or to the government bodies.

The CCB has received increasing attention in the last 10 years among researchers and practitioners. Marketing Practitioners find these CCB constructs useful in understanding the extent of market place dissatisfaction and in devising programmes to reduce consumer complaints. The study of CCB and its consequences appears to critical in the explanations and prediction of consumer purchase intensions.

and brand loyalty (Richins, Marsha)\textsuperscript{55}. Further in terms of macro marketing, the nature and extent of CCB prevalent in an industry seem to affect the consumer and social welfare. Singer\textsuperscript{56} quantifies the importance of complaining behaviour "A customer who complains, if satisfied, will tell eight people, but if the experience is negative, twice as many people will be told". A detailed study on this topic is also given in chapter V of this dissertation.

The detailed survey of literature provides the main idea about the determinants of purchase preferences, consumer satisfactions and consumer complaining behaviour.

The zest drawn from the survey of literature about the subject can be summarized as follows:

\begin{itemize}
\item[a.] \textbf{Consumer Purchase Preference and Decision}

Preferences are identified as one of the outcomes of experiences. These preferences are manifested in such categories as the generic product, the brand, the size, the store as well as the price of the product. Also these preferences may be about the nature and performance of the product or services. The cost and efforts to be expended before obtaining the direct product or service benefits are also important. The social benefits or costs accruing to the consumer as a result of the purchase are also significant.
\end{itemize}


The inter-personal communication among friends etc plays a major role in many consumer decisions. In many situations the 'opinion leaders' have a more central role in purchase process than others.

In the Indian situation in general and the consumer durables industry in particular, in addition to the above variables, the delivery terms also play an important role in the purchase decisions.

Once the consumer makes a decision to purchase a product, there are some additional behaviour associated with the product purchase decision. In this regard, two activities are of primary importance. They are immediate product installation and use and the consumer support services related to the product.

Expectations and attitudes can be arrived by using multi item measures commonly employed in many of the attitude research. Each attitude expectation statement can be operationalised in a five to seven item bipolar statement labeled likely, unlikely or important and not at all important.

While determining the important purchase preferences of the consumer the above survey provides a framework for framing the questionnaire. The consumers can have more than one superior need. The one that is finally settled upon includes five important variables that contribute to consumer satisfaction. These need areas include i) Consumer Preferences on company image, ii) Product feature attributes, iii) Customer support service, iv) Delivery terms and v) Product price.
b. Consumer Satisfaction

The consumers are spending their money on any legal goods and services for satisfying their needs and wants. In addition to purchase behaviour, the consumers also engage in an evaluation of the purchase decision. Satisfaction is an important element at the evaluation stage. Though every one knows what satisfaction means, it clearly does not mean the same thing to every one. It has been defined by researchers in a variety of ways. Satisfaction is a result of matching actual post purchase and consumption experience with the expected reward from the brand. These evaluations are in terms of the products anticipated potential to satisfy the consumer's motives. Thus consumers form certain expectations prior to purchases. These expectations may be about the nature and performance of the product and services, the cost and efforts to be expended and the social benefits accruing to the consumers. The interaction between expectation and performance produces either satisfaction or dissatisfaction.

The result of satisfaction to the consumers from the purchase of the product and services will create a favorable post purchase attitudes, higher purchase intentions and brand loyalty. On the other hand, if the consumers are dissatisfied, they are less favorable towards the brand and abandon the repurchase intention or switch over to other brands besides complaining to various sources with a negative word of mouth.

Attitudes are complex and composite in nature. It contains elements of beliefs, preferences and readiness to respond. Measurement of consumer attitude is a major concern to the marketing researchers. The techniques used vary from completely
instructed to highly structured questionnaire. When various scaling techniques have been compared, the results generally have equivalent for all the techniques. The selection of the scaling technique depends upon the information requirement and the characteristics of the respondent. Ranking of the individuals along a given attitude or group of attitudes is the best method that can be used in many situations.

c. Consumer Complaining Behavior

Dissatisfaction about the performance of a product generally drives the consumer to seek redressal measures and take remedial steps for compensation or satisfaction. Though in a few cases, the consumer may not be interested to take such remedial steps, the majority of the consumers voice their grievances before the seller / manufacturer and few others even resort to filing complaints to get their grievance redressed. Recently, in these days of competitive marketing, a critical study on the complaining behaviour of the consumers has gained grounds among the manufacturers / sellers, who are forced to maintain market situation for their products.

2.4. SUMMARY

Having analyzed the review of literature related to this study of consumer behaviour, it is understood that no elaborate study made for durable products with reference to Dharmapuri District, Tamil Nadu, and India especially about Air-conditioner, Washing machine, Television, Micro oven, computer and four-wheeler etc.

These products are considered as most indispensable for daily life which would reveal the exact consumer behaviour and the factors affecting it. So this study helps us
to understand the Consumer Behaviour about the Shopping Pattern, Role, and Factors associated with the Consumer Behaviour.

2.5. RESEARCH GAP

GAP ANALYSIS

The previous discussion of the literature identified significant gaps that will be explored in this thesis. Most of the studies in the area of consumer behaviour and preferences are limited to product and demographic issues (Pollay 1986, Pollay and Gallagher 1990), neglecting the effects on the preferential aspects. These issues are examined from the perspective of those targeted women consumers and rarely take note of the reactions of those preferences of consumers.

There is a significant amount of literature in international consumer behaviour, which looks at the intended effects of consumer preferences from the perspective of the consumer group. Outcome measures include recognition, recall, believability, reaction to the advertisement and purchase level (Shoham 1996, Somasundaram and light 1994). Other studies have noted the consumer's competitive position and preferences in foreign markets (Albaum and Tse, 2001), brand and product performance (Jain, 1989) and management and organizational performance (O'Donnell and Jeong, 2000) when either using a standardized or adapted marketing strategy. However, studies that look at the impact on the general consumers tend to ignore the reactions of those not targeted by the company's advertising.
The literature also identifies how consumers can target a specific product features in its promotional activities. Normative articles exhort the use of product characteristics and describe the positive reactions from those consumers (Cosco, 1991; De Simone, 2002; Kumar, 2002; Marconi, 2001; Mummert, 1995; Pinson and Jinnett, 1993; Weylman, 1993). None, however, look at the holistic impact of utilizing consumer behaviour regarding pattern and preferences towards durable products in a specific geographical base.

Therefore it has good scope for further study. For better understand of this subject matter various Consumer Behaviour models are discussed with subsequent chapter.